CITY OF RINGGOLD, GEORGIA

ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2014

JOHNSON, MURPHEY & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CHATTANOOGA, TENNESSEE

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CITY OF RINGGOLD, GEORGIA
Council Members and Management
December 31, 2014

Mayor	Joe Barger
Vice-Mayor	Nick Millwood
Council Member	Terry Crawford
Council Member	Earl Henderson
Council Member	G. Larry Black
Council Member	Randall Franks
City Manager	Dan Wright
City Judge	Robert Stultz
Financial Director	Will Baerg

II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Mayor and Council Members
City of Ringgold, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ringgold, Georgia, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ringgold, Georgia, as of December 31, 2014, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Capital Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ringgold, Georgia's basic financial statements. The Introductory Section, combining and individual non-major fund financial statements, and financial schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and financial schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015, on our consideration of the City of Ringgold, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Ringgold, Georgia's internal control over financial reporting and compliance.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
March 31, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Ringgold, Georgia, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Ringgold, Georgia for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The assets of the City of Ringgold, Georgia exceeded its liabilities at December 31, 2014, by $24,395,920 (net position). Of this amount, $7,720,830 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

The City's governmental activities operated at a surplus of $13,393. The City's business-type activities operated at a surplus of $397,933.

As of the close of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of $4,741,390.

At the end of the current fiscal year, unassigned fund balance for the General Fund was $4,512,538, or 149.80%, of total General Fund expenditures. Expenditures do not include transfers to and from other funds, which netted to $129,625 in the City's General Fund.

As of the close of the current fiscal year, the City of Ringgold, Georgia's enterprise funds reported combined ending net position of $16,204,618. Of that balance, $4,640,213 is unrestricted and the remaining $11,564,405 of net position is net investment in capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction of the City of Ringgold, Georgia's basic financial statements. The City of Ringgold, Georgia's basic financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements, and (3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Ringgold, Georgia's finances, in a manner similar to a private-sector business.

The government-wide financial statements are:

The *Statement of Net Position* presents information on all of the City of Ringgold, Georgia's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Ringgold, Georgia is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Ringgold, Georgia that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Ringgold, Georgia include general government, public safety, public works, and public welfare and recreation. The business-type activities of the City of Ringgold, Georgia include the Sewer Fund and the Water Fund.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements
A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ringgold, Georgia, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Ringgold, Georgia can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand that long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The City of Ringgold, Georgia maintains ten individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Individual fund data for the Hotel/Motel Tax, Haunted Depot, Downtown Development Authority, Confiscated Assets, Ringgold Depot, Visitor Center, Capital Projects Grant and Technology funds are provided later in this report beginning on page 54.

The City of Ringgold, Georgia adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for all governmental funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 and 18 of this report.

Proprietary Funds
The City of Ringgold, Georgia maintains one type of proprietary fund: enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Ringgold, Georgia uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Fund and Water Fund, which are considered to be major funds of the City of Ringgold, Georgia.

The basic proprietary fund financial statements can be found on pages 28 through 30 of this report.

Notes to the Financial Statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages 32 through 52 of this report.

Other Information
Non-major fund statements and schedules can be found on pages 54 through 63 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Ringgold, Georgia, assets exceeded liabilities by $24,395,920 at the close of this fiscal year.

The largest portion of the City of Ringgold, Georgia's net position (67.61%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure, etc.); less any related debt used to acquire those assets that are still outstanding. The City of Ringgold, Georgia uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Ringgold, Georgia's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 0.74%, or $180,979, represents resources that are subject to external restrictions on how they may be used. The remaining 31.65% of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

At December 31, 2014, the City of Ringgold, Georgia is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

The table below provides a summary of the City's net position broken down by governmental and business type activities.

City of Ringgold, Georgia's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Capital assets	$ 4,929,706	$4,249,901	$ 19,381,405	$ 19,733,888	$ 24,311,111	$ 23,983,789
Other assets	5,077,750	5,354,425	4,811,029	4,402,611	9,888,779	9,757,036
Total assets	$10,007,456	$ 9,604,326	$ 24,192,434	$ 24,136,499	$ 34,199,890	$ 33,740,825
Long-term liabilities	$ 1,490,100	$ 1,256,549	$ 7,908,960	$ 8,220,314	$ 9,399,060	$ 9,476,863
Other liabilities	326,054	169,868	78,856	109,500	404,910	279,368
Total liabilities	$ 1,816,154	$ 1,426,417	$ 7,987,816	$ 8,329,814	$ 9,803,970	$ 9,756,231
Net investment in capital assets	$ 4,929,706	$ 4,249,901	$ 11,564,405	$ 11,599,888	$ 16,494,111	$ 15,849,789
Restricted	180,979	541,883	-	-	180,979	541,883
Unrestricted	3,080,617	3,386,125	4,640,213	4,206,797	7,720,830	7,592,922
Total net position	$ 8,191,302	$ 8,177,909	$ 16,204,618	$ 15,806,685	$ 24,395,920	$ 23,984,594

Changes in Net Position

Governmental activities increased the City's net position by $13,393, and business-type activities increased the City's net position by $397,933. However, the City can only use the net position obtained through business-type activities to finance the continuing operations of the sewer and water systems.

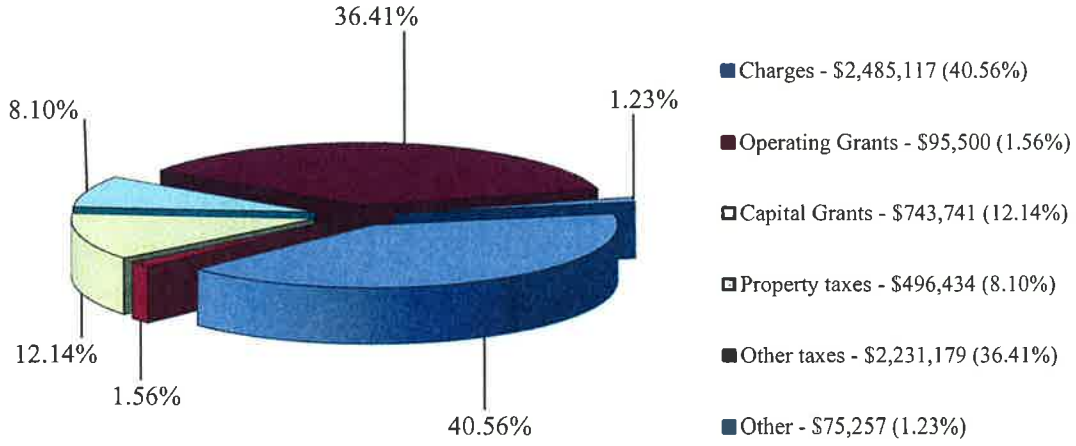
The table below provides a summary of the City's net position broken down by governmental and business-type activities.

City of Ringgold, Georgia's Changes in Net Position

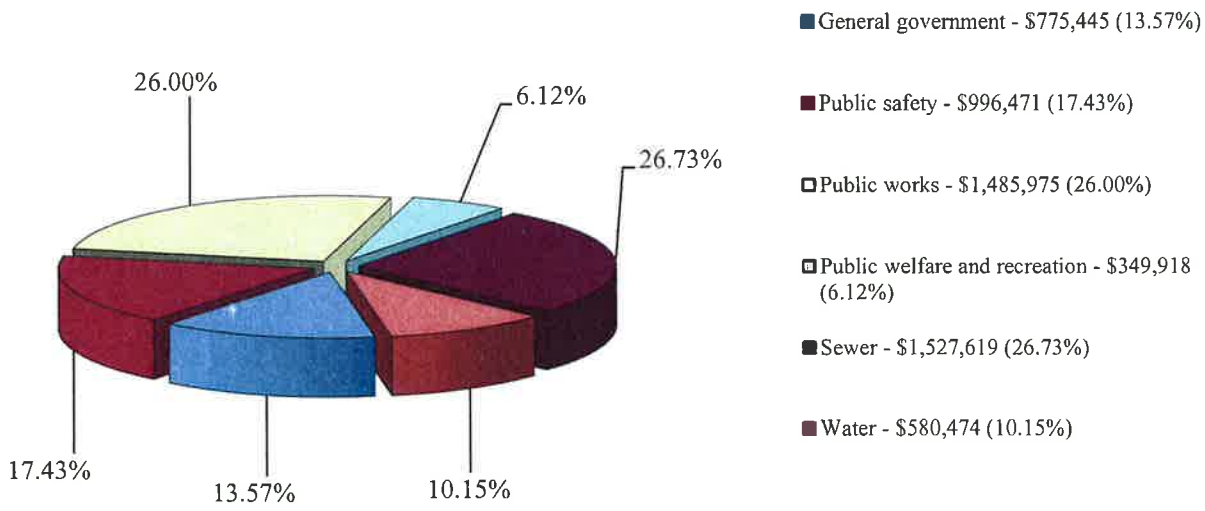
	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 286,414	$ 293,748	$ 2,198,703	$ 1,992,510	$ 2,485,117	$ 2,286,258
Operating grants and contributions	95,500	4,000	-	-	95,500	4,000
Capital grants and contributions	743,741	1,870,954	-	192,723	743,741	2,063,677
General revenues:						
Property taxes	496,434	458,923	-	-	496,434	458,923
Other taxes	2,231,179	2,078,072	-	-	2,231,179	2,078,072
Other income	73,757	73,633	1,500	70,528	75,257	144,161
Total revenues	3,927,025	4,779,330	2,200,203	2,255,761	6,127,228	7,035,091
Expenses:						
General government	775,445	616,545	-	-	775,445	616,545
Public safety	996,471	959,132	-	-	996,471	959,132
Public works	1,485,975	1,592,293	-	-	1,485,975	1,592,293
Public welfare and recreation	349,918	377,439	-	-	349,918	377,439
Sewer	-	-	1,527,619	1,539,551	1,527,619	1,539,551
Water	-	-	580,474	559,842	580,474	559,842
Total expenses	3,607,809	3,545,409	2,108,093	2,099,393	5,715,902	5,644,802
Excess (deficiency) before transfers	319,216	1,233,921	92,110	156,368	411,326	1,390,289
Interfund transfers	(305,823)	(1,509,502)	305,823	1,509,502	-	-
Change in net position	13,393	(275,581)	397,933	1,665,870	411,326	1,390,289
Net position - beginning	8,177,909	8,453,490	15,806,685	14,140,815	23,984,594	22,594,305
Net position - end	$ 8,191,302	$ 8,177,909	$16,204,618	$ 15,806,685	$24,395,920	$23,984,594

The graphs below summarize the $6,127,228 of city-wide revenues by source, and the associated $5,715,902 of expense by program. The graphs combine data from both governmental and business-type activities.

City-Wide Sources of Revenue



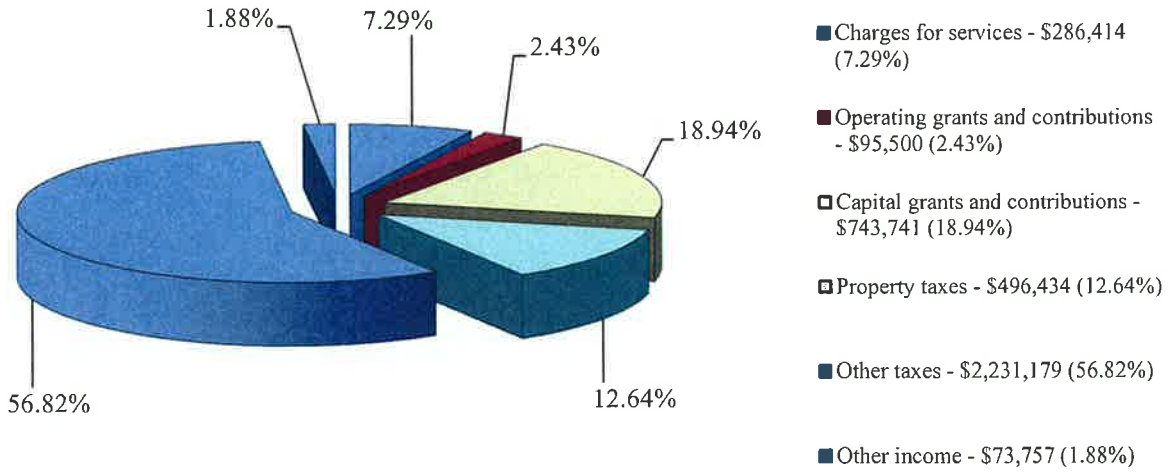
City-Wide Program Expenses



Governmental Activities

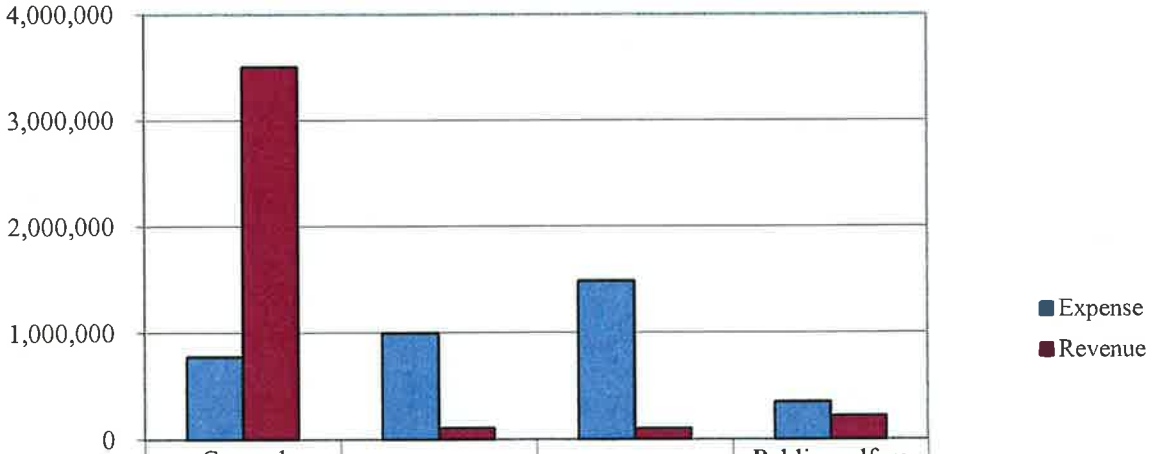
Governmental activities accounted for revenues of $3,927,025. The following graph summarizes the revenue by source.

Revenue by Source - Governmental Activities



The following graph summarizes the revenue and related expense for each government program of the City. The difference between expense and revenue is the financial burden placed on the City's taxpayers for each program.

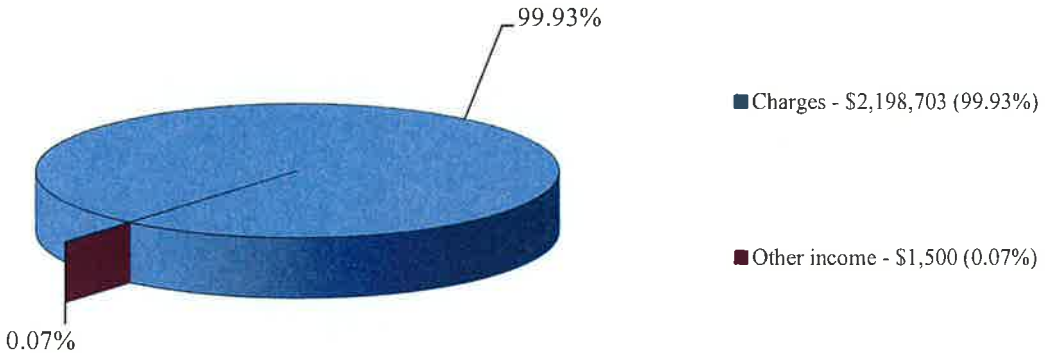
Expenses and Program Revenues - Governmental Activities



	General government	Public safety	Public works	Public welfare and recreation
Expense	775,445	996,471	1,485,975	349,918
Revenue	3,502,513	106,072	100,264	218,176

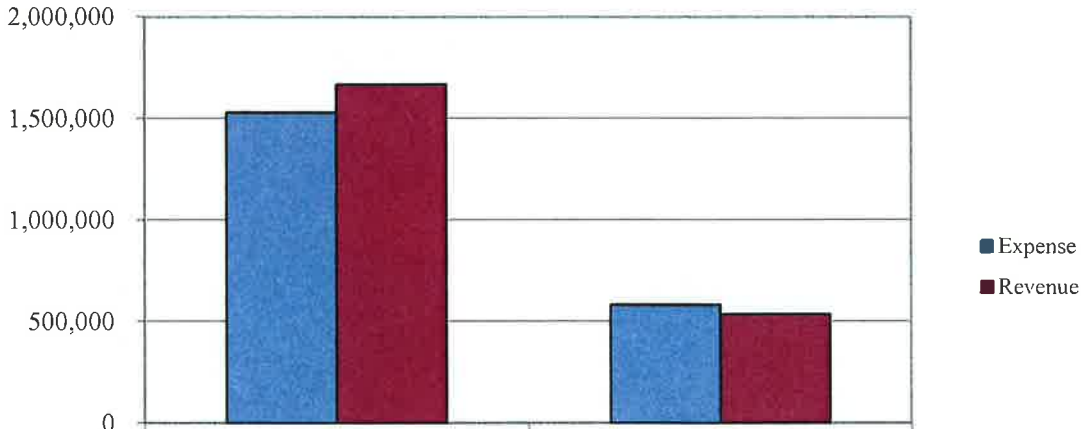
Business-type activities
Business-type activities accounted for revenues of $2,200,203. The following graph summarizes the revenue by source.

Revenue by Source -
Business-Type Activities



The following graph summarizes the revenue and related expense of operating the water and sewer systems.

Expenses and Program Revenues -
Business-Type Activities



	Sewer	Water
Expense	1,527,619	580,474
Revenue	1,665,959	534,244

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Ringgold, Georgia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds
The focus of the City of Ringgold, Georgia's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Ringgold, Georgia's financing requirements. The unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year for future unforeseen emergencies.

As of the end of the current fiscal year, the City of Ringgold, Georgia's governmental funds reported combined ending fund balances of $4,741,390.

The General Fund is the chief operating fund of the City of Ringgold, Georgia. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,512,538. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 149.80% of total General Fund expenditures, excluding transfers.

Proprietary Funds
The City of Ringgold, Georgia's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year amounted to $4,287,464 for the Sewer Fund and $352,749 for the Water Fund.

General Fund Budgetary Highlights
Differences between the original budget and the final amended budget netted to $0 in fund balance change. The offsetting changes are listed below:

There was $202,400 in various increases in revenues.

Current expenditures were increased by $243,000.

Transfers in were decreased by $2,400.

Transfers out were decreased by $43,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

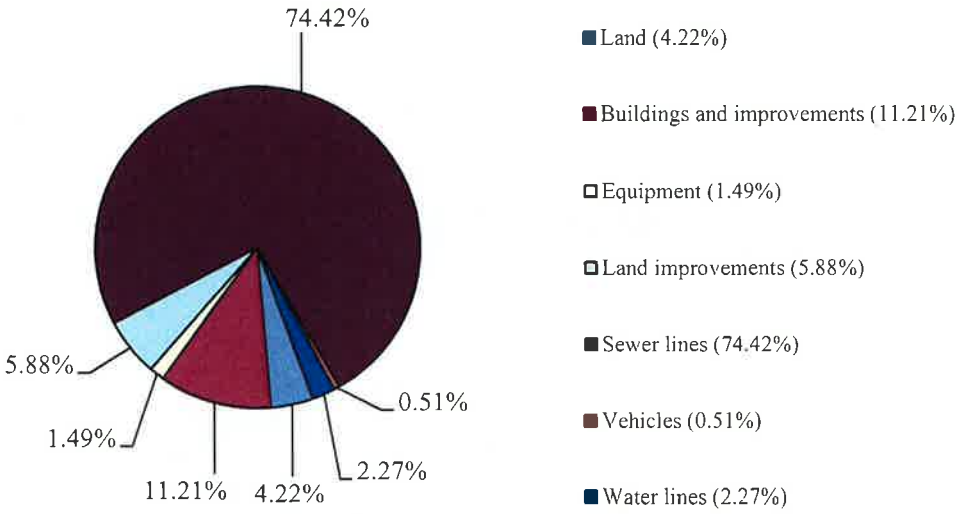
The table below summarizes the City's investment in capital assets and is broken down by governmental and business-type activities.

City of Ringgold, Georgia's Capital Assets
(Net of Depreciation)

	Governmental Activities	Business-type Activities	Total
Land	$ 759,915	$ 265,815	$ 1,025,730
Buildings and improvements	2,353,153	372,624	2,725,777
Equipment	280,909	81,394	362,303
Land improvements	1,429,800	-	1,429,800
Sewer lines	-	18,092,952	18,092,952
Vehicles	105,929	17,875	123,804
Water lines	-	550,745	550,745
Total capital assets	$ 4,929,706	$ 19,381,405	$ 24,311,111

The following graph provides a breakdown of which assets make up the largest portion of the City's total investment in capital assets. The graph combines assets used in both governmental and business-type activities.

City-Wide Capital Assets



Additional information on the City of Ringgold, Georgia's capital assets can be found in Note 8 on pages 41 and 42.

City of Ringgold, Georgia's Outstanding Debt

At the end of the current fiscal year, the City of Ringgold, Georgia had total debt outstanding of $9,399,060. Of that amount $327,000 is due in the next fiscal year. The table below summarizes outstanding debt broken down by governmental and business type activities.

	Governmental Activities	Business-type Activities	Total
Bond payable	$ -	$ 7,817,000	$ 7,817,000
Compensated absences	118,696	29,935	148,631
Customer deposits	-	62,025	62,025
Accrued post-employment benefits	1,371,404	-	1,371,404
Total	1,490,100	7,908,960	9,399,060
Less current portion	-	(327,000)	(327,000)
Total long-term debt	$ 1,490,100	$ 7,581,960	$ 9,072,060

Additional information on outstanding debt can be found in Note 10 on pages 43 through 45 of this report.

Currently Known Conditions Effecting Future Years

The City awarded a street scaping project in 2014 and is planning to do a downtown pedestrian safety enhancement project estimated to cost $1,000,000.00. The State has awarded $250,000.00 in the form of a TE Grant. The remaining $750,000.00 will be funded from the 2009 and 2014 SPLOST.

The City is also constructing a Pedestrian Bridge across Hwy. 41 at the Depot and CSX Railroad Underpass. The estimated cost is $310,000.00, and the County has agreed to use some of the County's SPLOST to fund $150,000.00, and the remaining $160,000.00 will be paid from the City's SPLOST account.

The City awarded $220,000.00 for the construction of a ½ mile nature trail extension. The City has received a $100,000.00 State Grant and a $50,000.00 Lyndhurst Grant. The remainder will be paid from the 2009 SPLOST. The City was also awarded a canoe launch which is being fully funded by the Lyndhurst Foundation.

Georgia Northwestern College will be building a satellite campus in the City of Ringgold on a 38 acre tract. The City has agreed to install the water and sewer to the development. In addition to the 38 acre college, there will be a 12 acre commercial development. The cost of water and sewer has been awarded at approximately $350,000.00 and will be funded from SPLOST.

The Council has awarded sidewalk construction for $309,000.00. The City has also awarded a major road extension of Candy Lane at a cost of $463,763.00 which will be funded from SPLOST.

The City has awarded a contract to make improvements at the water treatment plant clearwell in the amount of $60,000.00, and engineers are currently designing improvements to the chemical feed systems. These improvements will allow the plant to use liquid chemicals instead of dry chemicals. The City has retained a geologist for the purpose of doing groundwater exploration to locate a well site.

The Downtown Development Authority has purchased several properties and is currently developing a parking lot to add parking for the downtown area.

Phase II of Exit 345 Sewer is currently under contract and is funded by the County SPLOST and will increase the City's customers by over 100 homes and 5 commercial properties. Foster Hill SD Sewer project is currently out to bid. Three Notch Road Estates, Lehon Estates and Melody Estates should be out to bid by summer.

Requests for Information

This financial report is designed to provide a general overview of the City of Ringgold, Georgia's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information may be addressed to the City of Ringgold, Georgia, P. O. Box 579, Ringgold, GA 30736.

BASIC FINANCIAL STATEMENTS

CITY OF RINGGOLD, GEORGIA
Statement of Net Position
December 31, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets			
Cash	$ 3,911,807	$ 3,384,238	$ 7,296,045
Investments	-	1,240,000	1,240,000
Accounts receivable - net	299,978	186,791	486,769
Property tax receivable - net	43,712	-	43,712
Prepaid expenses	47,873	-	47,873
Due from other governments	774,380	-	774,380
Capital assets			
Land	759,915	265,815	1,025,730
Other capital assets - net of accumulated depreciation	4,169,791	19,115,590	23,285,381
TOTAL ASSETS	$ 10,007,456	$ 24,192,434	$ 34,199,890
LIABILITIES			
Current Liabilities			
Accounts payable	$ 142,215	$ 39,592	$ 181,807
Accrued wages	21,376	-	21,376
Accrued liabilities	23,406	39,264	62,670
Due to grantor	123,656	-	123,656
Unearned revenue	15,401	-	15,401
Non-current liabilities:			
Due within one year -			
Bond payable	-	327,000	327,000
Due in more than one year -			
Accrued post-employment benefits	1,371,404	-	1,371,404
Compensated absences	118,696	29,935	148,631
Customer deposits	-	62,025	62,025
Bond payable	-	7,490,000	7,490,000
TOTAL LIABILITIES	$ 1,816,154	$ 7,987,816	$ 9,803,970
NET POSITION			
Net investment in capital assets	$ 4,929,706	$ 11,564,405	$ 16,494,111
Restricted for:			
Haunted depot	13,720	-	13,720
Downtown development	8,766	-	8,766
Confiscated assets	4,431	-	4,431
Ringgold depot	76,365	-	76,365
Tourism	73,812	-	73,812
Technology	3,885		3,885
Unrestricted	3,080,617	4,640,213	7,720,830
TOTAL NET POSITION	$ 8,191,302	$ 16,204,618	$ 24,395,920

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Statement of Activities
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government							
Governmental activities:							
General government	$ 775,445	$ 56,020	$ -	$ 645,123	$ (74,302)	$ -	$ (74,302)
Public safety	996,471	97,596	5,408	3,068	(890,399)	-	(890,399)
Public works	1,485,975	4,714	-	95,550	(1,385,711)	-	(1,385,711)
Public welfare and recreation	349,918	128,084	90,092	-	(131,742)	-	(131,742)
Total governmental activities	3,607,809	286,414	95,500	743,741	(2,482,154)	-	(2,482,154)
Business-type activities:							
Sewer	1,527,619	1,664,459	-	-	-	136,840	136,840
Water	580,474	534,244	-	-	-	(46,230)	(46,230)
Total business-type activities	2,108,093	2,198,703	-	-	-	90,610	90,610
Total primary government	$ 5,715,902	$ 2,485,117	$ 95,500	$ 743,741	(2,482,154)	90,610	(2,391,544)
General revenues:							
Property tax					496,434	-	496,434
Franchise tax					448,794	-	448,794
Local option sales tax					879,760	-	879,760
Motor vehicle tax					119,655	-	119,655
Occupational tax					96,168	-	96,168
Hotel/motel tax					259,250	-	259,250
Payment in lieu of taxes - TVA					10,034	-	10,034
Other taxes					417,518	-	417,518
Interest revenue					25,067	1,500	26,567
Other revenue					48,690	-	48,690
Transfers					(305,823)	305,823	-
Total general revenues and transfers					2,495,547	307,323	2,802,870
Change in net position					13,393	397,933	411,326
Net position - beginning					8,177,909	15,806,685	23,984,594
Net position - end					$ 8,191,302	$ 16,204,618	$ 24,395,920

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Balance Sheet
December 31, 2014

	General Fund	Capital Projects	Other Governmental Fund	Total Governmental Funds
ASSETS				
Cash	$ 3,388,576	$ 189,296	$ 333,935	$ 3,911,807
Accounts receivable - net	276,742	-	23,236	299,978
Property tax receivable - net	43,712	-	-	43,712
Prepaid expenses	47,873	-	-	47,873
Due from other governments	532,663	241,717	-	774,380
Due from other funds	348,225	-	-	348,225
TOTAL ASSETS	$ 4,637,791	$ 431,013	$ 357,171	$ 5,425,975
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 30,712	$ 106,024	$ 5,479	$ 142,215
Accrued wages	21,376	-	-	21,376
Accrued liabilities	14,986	-	8,420	23,406
Due to other funds	-	324,989	23,236	348,225
Due to grantor	-	-	123,656	123,656
Unearned revenue	-	-	15,401	15,401
Total liabilities	67,074	431,013	176,192	674,279
Deferred Inflows of Resources				
Deferred revenue - property taxes	10,306	-	-	10,306
Fund Balances				
Nonspendable	47,873	-	-	47,873
Restricted	-	-	180,979	180,979
Unassigned	4,512,538	-	-	4,512,538
Total fund balances	4,560,411	-	180,979	4,741,390
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,637,791	$ 431,013	$ 357,171	$ 5,425,975

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2014

Total fund balances per governmental funds balance sheet	$ 4,741,390
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,929,706
Long-term liabilities, including compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(118,696)
The other post-employment benefit plan has not been funded to meet annual requirement contributions, creating an accrued post-employment benefit liability. This liability is not due and payable in the current period and, therefore, is not reported in the funds.	(1,371,404)
Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	10,306
Net position of governmental activities	$ 8,191,302

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2014

	General Fund	Capital Projects	Other Governmental Fund	Total Governmental Funds
REVENUES				
Taxes	$ 2,479,081	$ -	$ 259,250	$ 2,738,331
License and permits	42,464	-	-	42,464
Intergovernmental	78,444	645,123	30,208	753,775
Fines and forfeitures	81,097	-	-	81,097
Interest revenue	25,067	-	-	25,067
Other revenue	123,660	-	181,698	305,358
TOTAL REVENUES	2,829,813	645,123	471,156	3,946,092
EXPENDITURES				
Current expenditures				
General government	823,604	-	-	823,604
Public safety	886,512	-	14,523	901,035
Public works	1,042,561	-	-	1,042,561
Public welfare and recreation	259,649	-	687,912	947,561
Capital outlay	-	339,300	-	339,300
TOTAL EXPENDITURES	3,012,326	339,300	702,435	4,054,061
Excess (deficiency) of revenues over (under) expenditures	(182,513)	305,823	(231,279)	(107,969)
OTHER FINANCING SOURCES (USES)				
Transfers in	129,625	-	143,470	273,095
Transfers out	-	(305,823)	(273,095)	(578,918)
Total other financing sources (uses)	129,625	(305,823)	(129,625)	(305,823)
Net changes in fund balances	(52,888)	-	(360,904)	(413,792)
Fund balances - beginning	4,613,299	-	541,883	5,155,182
Fund balances - end	$ 4,560,411	$ -	$ 180,979	$ 4,741,390

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended December 31, 2014

Net change in fund balances for total governmental funds	$ (413,792)
Governmental funds report capital outlay as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	679,805
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(19,069)
Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:	
Post-employment benefits	(227,665)
Compensated absences	(5,886)
Change in net position of governmental activities	$ 13,393

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes				
City property tax	$ 484,000	$ 536,200	$ 532,874	$ (3,326)
Premium tax	184,000	194,000	193,086	(914)
Franchise tax	480,000	455,000	448,794	(6,206)
Excise tax	48,000	40,000	39,350	(650)
Local option sales tax	855,000	881,200	879,760	(1,440)
Malt beverage tax	150,000	162,000	162,374	374
Motor vehicle tax	94,000	119,600	119,655	55
Occupational tax	105,000	100,000	96,168	(3,832)
Intangible tax	12,000	4,000	3,865	(135)
Pawnbroker fees	-	2,000	1,682	(318)
Real estate transfer tax	2,000	2,000	1,473	(527)
Total taxes	2,414,000	2,496,000	2,479,081	(16,919)
License and permits				
Massage therapy license	-	1,000	300	(700)
Malt beverage license	22,000	40,000	39,945	(55)
Pawnbroker license	-	3,000	2,219	(781)
Total license and permits	22,000	44,000	42,464	(1,536)
Intergovernmental				
Payment in lieu of taxes - TVA	9,000	10,000	10,034	34
Grant revenue	-	68,000	68,410	410
Total intergovernmental	9,000	78,000	78,444	444
Fines and forfeitures				
Police and courts	101,000	102,000	81,097	(20,903)
Interest revenue				
Interest	30,000	26,000	25,067	(933)

(Continued)

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Other revenue				
Fees	$ 22,000	$ 21,000	$ 18,170	$ (2,830)
Pool fees and pool concessions	58,000	55,000	47,963	(7,037)
Flag charges and flag donations	5,000	6,000	5,081	(919)
Miscellaneous	12,000	24,400	12,455	(11,945)
Contributions and donations	-	18,000	18,747	747
Insurance recoveries	-	7,000	6,675	(325)
Rent income	18,000	16,000	14,569	(1,431)
Total other revenue	115,000	147,400	123,660	(23,740)
TOTAL REVENUES	2,691,000	2,893,400	2,829,813	(63,587)
EXPENDITURES				
Current expenditures				
General government				
Administration				
Administrative salaries	335,000	347,450	347,354	96
Zoning board pay	1,500	1,300	1,250	50
Payroll taxes	22,000	25,200	25,113	87
Administrative	3,000	11,800	11,796	4
Drug testing fees	1,000	1,150	1,138	12
Dues and subscriptions	25,000	35,000	34,820	180
Education and travel	16,000	8,050	8,030	20
Grant expense	4,000	950	917	33
Insurance	102,000	96,750	96,577	173
Printing and postage	5,000	6,850	6,775	75
Professional services	13,000	26,700	26,509	191
Repairs and maintenance	3,000	4,500	4,471	29
Retirement	32,000	27,900	27,856	44
Supplies and materials	15,500	11,300	11,141	159
Telephone	1,500	6,000	5,979	21
Vehicles	3,500	4,100	4,067	33
Total administration	583,000	615,000	613,793	1,207

(Continued)

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Building and plant				
Insurance	$ 30,000	$ 26,300	$ 26,282	$ 18
Professional services	-	300	280	20
Repairs and maintenance	5,000	38,400	38,149	251
Supplies and materials	2,500	1,800	1,520	280
Telephone	500	1,600	1,515	85
Travel	1,000	600	407	193
Utilities	21,000	22,000	21,897	103
Total building and plant	60,000	91,000	90,050	950
Council				
Council salaries	18,300	18,300	18,294	6
Payroll taxes	1,500	1,500	1,399	101
Education and travel	15,100	6,100	5,533	567
Insurance	100	100	-	100
Total council	35,000	26,000	25,226	774
Court				
City judge	7,800	7,800	7,800	-
Payroll taxes	600	700	597	103
Education and travel	1,500	1,400	1,035	365
Insurance	100	100	16	84
Total court	10,000	10,000	9,448	552
Elections				
Advertising	100	-	-	-
Contract labor	1,400	-	-	-
Education and travel	800	-	-	-
Printing and postage	400	-	-	-
Supplies and materials	300	-	-	-
Total elections	3,000	-	-	-
Law				
Professional services	45,000	76,000	75,958	42

(Continued)

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES (Continued)				
Current expenditures (Continued)				
General government (Continued)				
Mayor				
Mayor salaries	$ 6,000	$ 6,000	$ 6,000	$ -
Payroll taxes	500	1,100	459	641
Education and travel	2,400	2,900	2,670	230
Insurance	100	-	-	-
Total mayor	9,000	10,000	9,129	871
Total general government	745,000	828,000	823,604	4,396
Public safety				
Police department				
Salaries	401,000	410,600	410,552	48
Payroll taxes	28,000	29,500	29,436	64
Dues and subscriptions	1,000	2,400	2,398	2
Education and travel	8,000	3,300	3,178	122
Insurance	133,000	129,850	129,714	136
Printing and postage	1,000	300	155	145
Repairs and maintenance	13,000	13,200	13,119	81
Retirement	31,000	32,050	32,026	24
Supplies and materials	10,000	32,200	31,835	365
Telephone	9,000	5,100	4,654	446
Uniforms	5,000	3,800	3,735	65
Vehicles	26,000	32,700	32,624	76
Total police department	666,000	695,000	693,426	1,574
Fire department				
Operations	184,000	194,000	193,086	914
Total public safety	850,000	889,000	886,512	2,488

(Continued)

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public works				
Street department				
Salaries	$ 409,000	$ 385,200	$ 384,568	$ 632
Payroll taxes	27,000	27,300	27,255	45
Dues and subscriptions	-	200	112	88
Education and travel	2,000	50	28	22
Insurance	133,000	141,350	141,261	89
Prison crew	43,000	38,250	38,142	108
Professional services	1,000	3,950	3,841	109
Repairs and maintenance	24,000	21,800	21,583	217
Retirement	36,000	33,300	33,245	55
Stormwater mapping	4,000	7,800	7,711	89
Street lights	35,000	36,200	36,108	92
Supplies and materials	41,000	92,500	92,253	247
Telephone	2,000	700	667	33
Uniforms	3,000	5,500	5,469	31
Utilities	12,000	11,900	11,774	126
Vehicles	27,000	30,000	29,993	7
Total street department	799,000	836,000	834,010	1,990
Solid waste department				
Salaries	67,500	71,750	71,698	52
Payroll taxes	5,000	5,500	5,474	26
Education and travel	-	200	150	50
Insurance	26,500	26,950	26,819	131
Landfill fees	51,000	51,800	51,741	59
Repairs and maintenance	8,000	22,450	22,447	3
Retirement	7,000	7,150	7,130	20
Supplies and materials	-	6,250	6,223	27
Uniforms	1,000	1,500	1,450	50
Vehicles	17,000	15,450	15,419	31
Total solid waste department	183,000	209,000	208,551	449
Total public works	982,000	1,045,000	1,042,561	2,439

(Continued)

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES (Continued)				
Current expenditures (Continued)				
Public welfare and recreation				
Pool operations				
Salaries	$ 33,000	$ 30,200	$ 30,102	$ 98
Payroll taxes	3,000	2,400	2,302	98
Concessions	4,000	3,500	3,437	63
Education and travel	-	900	860	40
Insurance	1,500	1,400	1,250	150
Repairs and maintenance	4,000	2,800	2,659	141
Supplies and materials	7,000	20,700	20,554	146
Telephone	1,500	1,100	1,030	70
Utilities	4,000	3,000	2,825	175
Total pool operations	58,000	66,000	65,019	981
Parks and recreation				
Salaries	79,000	102,810	102,789	21
Payroll taxes	6,000	7,850	7,842	8
Flag supplies	5,000	6,000	5,837	163
Insurance	23,000	22,760	22,745	15
Property rental	1,000	1,040	1,035	5
Repairs and maintenance	5,000	12,870	12,852	18
Retirement	8,000	7,940	7,934	6
Supplies and materials	9,000	22,870	22,799	71
Uniforms	1,000	1,200	1,153	47
Utilities	3,000	4,460	4,453	7
Vehicles	5,000	5,200	5,191	9
Total parks and recreation	145,000	195,000	194,630	370
Total public welfare and recreation	203,000	261,000	259,649	1,351
TOTAL EXPENDITURES	2,780,000	3,023,000	3,012,326	10,674
Excess (deficiency) of revenues over (under) expenditures	(89,000)	(129,600)	(182,513)	(52,913)

(Continued)

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	**Final**	**Actual**	**(Unfavorable)**
OTHER FINANCING SOURCES (USES)				
Transfers in	$ 132,000	$ 129,600	$ 129,625	$ 25
Transfers out	(43,000)	-	-	-
Total other financing sources (uses)	89,000	129,600	129,625	25
Net changes in fund balances	-	-	(52,888)	(52,888)
Fund balances - beginning	4,613,299	4,613,299	4,613,299	-
Fund balances - end	$ 4,613,299	$ 4,613,299	$ 4,560,411	$ (52,888)

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Intergovernmental				
Special Local Option Sales Tax	$ 646,000	$ 646,000	$ 645,123	$ (877)
TOTAL REVENUES	646,000	646,000	645,123	(877)
EXPENDITURES				
Capital outlay				
Public works	326,100	326,100	325,608	492
Public welfare and recreation	13,900	13,900	13,692	208
Total capital outlay	340,000	340,000	339,300	700
TOTAL EXPENDITURES	340,000	340,000	339,300	700
Excess (deficiency) of revenues over (under) expenditures	306,000	306,000	305,823	(177)
OTHER FINANCING SOURCES (USES)				
Transfers out	(306,000)	(306,000)	(305,823)	177
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Net Position
December 31, 2014

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
ASSETS			
Current Assets			
Cash	$ 3,011,750	$ 372,488	$ 3,384,238
Investments	1,240,000	-	1,240,000
Accounts receivable	102,514	84,277	186,791
Total current assets	4,354,264	456,765	4,811,029
Non-current Assets			
Capital assets			
Land	204,415	61,400	265,815
Other capital assets -			
net of accumulated depreciation	18,199,069	916,521	19,115,590
Total capital assets	18,403,484	977,921	19,381,405
Total non-current assets	18,403,484	977,921	19,381,405
TOTAL ASSETS	$ 22,757,748	$ 1,434,686	$ 24,192,434
LIABILITIES			
Current Liabilities			
Accounts payable	$ 27,343	$ 12,249	$ 39,592
Accrued liabilities	39,264	-	39,264
Current portion of bond payable	327,000	-	327,000
Total current liabilities	393,607	12,249	405,856
Non-current Liabilities			
Compensated absences	193	29,742	29,935
Customer deposits	-	62,025	62,025
Long-term debt due after one year	7,490,000	-	7,490,000
Total non-current liabilities	7,490,193	91,767	7,581,960
TOTAL LIABILITIES	$ 7,883,800	$ 104,016	$ 7,987,816
NET POSITION			
Net investment in capital assets	$ 10,586,484	$ 977,921	$ 11,564,405
Unrestricted	4,287,464	352,749	4,640,213
TOTAL NET POSITION	$ 14,873,948	$ 1,330,670	$ 16,204,618

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2014

	Enterprise		
	Sewer Fund	**Water Fund**	**Totals**
OPERATING REVENUES			
Sewer charges	$ 1,612,822	$ -	$ 1,612,822
Water sales	-	504,020	504,020
Installation charges	51,637	4,910	56,547
Penalties	-	25,314	25,314
Total operating revenues	1,664,459	534,244	2,198,703
OPERATING EXPENSES			
Operating and maintenance	621,767	467,981	1,089,748
Administration and general	10,023	17,352	27,375
Depreciation	563,165	95,141	658,306
Total operating expenses	1,194,955	580,474	1,775,429
Operating income (loss)	469,504	(46,230)	423,274
NON-OPERATING REVENUES (EXPENSES)			
Interest revenue	1,500	-	1,500
Interest expense	(332,664)	-	(332,664)
Total non-operating revenues (expenses)	(331,164)	-	(331,164)
Income (loss) before transfers	138,340	(46,230)	92,110
Transfers in	232,872	72,951	305,823
Changes in net position	371,212	26,721	397,933
Total net position - beginning	14,502,736	1,303,949	15,806,685
Total net position - end	$ 14,873,948	$ 1,330,670	$ 16,204,618

The accompanying notes are in integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Statement of Cash Flows
Year Ended December 31, 2014

	Enterprise		
	Sewer Fund	Water Fund	Totals
Cash Flows from Operating Activities			
Receipts from customers	$ 1,663,732	$ 531,121	$ 2,194,853
Payments to suppliers	(631,692)	(282,953)	(914,645)
Payments to employees	(22,304)	(198,756)	(221,060)
Net cash provided (used) by operating activities	1,009,736	49,412	1,059,148
Cash Flows from Capital and Related Financing Activities			
SPLOST transfers	232,872	72,951	305,823
Acquiring and construction of capital assets	(232,873)	(72,950)	(305,823)
Principal paid on long-term debt	(317,000)	-	(317,000)
Interest paid on long-term debt	(332,664)	-	(332,664)
Net cash provided (used) for capital and related financing activities	(649,665)	1	(649,664)
Cash Flows from Investing Activities			
Sale (purchase) of investments	(641,265)	-	(641,265)
Interest revenue	1,500	-	1,500
Net cash provided (used) by investing activities	(639,765)	-	(639,765)
Net increase (decrease) in cash	(279,694)	49,413	(230,281)
Cash - beginning	3,291,444	323,075	3,614,519
Cash - end	$ 3,011,750	$ 372,488	$ 3,384,238
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	$ 469,504	$ (46,230)	$ 423,274
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	563,165	95,141	658,306
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	5,689	(3,123)	2,566
Increase (decrease) in current liabilities	(28,109)	(2,535)	(30,644)
Increase (decrease) in customer deposits	-	2,654	2,654
Increase (decrease) in compensated absences	(513)	3,505	2,992
Net cash provided (used) by operating activities	$ 1,009,736	$ 49,412	$ 1,059,148

The accompanying notes are an integral part of the financial statements.

CITY OF RINGGOLD, GEORGIA
Statement of Fiduciary Assets and Liabilities
December 31, 2014

	Agency Funds
ASSETS	
Cash	$ 12,296
Due from other governments	61,027
TOTAL ASSETS	$ 73,323
LIABILITIES	
Surety bonds payable	$ 1,326
Due to other governments	71,997
TOTAL LIABILITIES	$ 73,323

The accompanying notes are an integral part of the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Ringgold, Georgia operates under the City Manager - Council form of government within the following departments: general government, public safety, public works and public welfare and recreation.

The financial statements of the City of Ringgold, Georgia have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant accounting policies:

A. Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP and GASB issued Statement No. 14, *The Financial Reporting Entity*. This statement requires that the financial statements present the City of Ringgold, Georgia (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting one of the following criteria; the primary government is accountable for the potential component unit (i.e., the primary government appoints the voting majority of its board and the primary government is able to impose its will upon the potential component unit); or there is a possibility that the potential component unit may provide specific financial benefits or impose specific financial burdens on the primary government.

Based on the foregoing criteria, there is one entity, which meets the above criteria for inclusion in the City of Ringgold, Georgia's financial statements:

The Downtown Development Authority

The Downtown Development Authority (DDA) is considered to be a blended component unit according to GASB Statement No. 14. The DDA is a legally separate entity having a board composed of members appointed by the City of Ringgold, Georgia. There is a financial benefit/burden relationship and the DDA provides services directly to the City of Ringgold, Georgia. There are no separate financial statements available.

Related Organizations

The Housing Authority of the City of Ringgold, Georgia is considered a related organization based upon the criteria in GASB Statement No. 14. The Housing Authority is a legally separate entity having a board composed of members appointed by the City of Ringgold, Georgia. The City of Ringgold, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Ringgold, Georgia is a related organization.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities.

Government-wide Statements - The Statement of Net Position and the Statement of Activities display information about the primary government. These statements include the financial activities of the overall government. Neither fiduciary nor component units that are fiduciary in nature are included. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis for column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents both a gross and net cost comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The net cost (by function or business-type activity) is normally covered by general revenue (property or sales taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is designed to view the City as a complete entity and the change in aggregate financial position resulting from the activities of the fiscal period.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including its governmental funds and enterprise funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Enterprise fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund - This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund - This fund is used to account for the Special Local Option Sales Tax (SPLOST) receipts of the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

The City reports the following major enterprise funds:

Water Fund - This fund is used to account for the provision of water services to the City.

Sewer Fund - This fund is used to account for the provision of sewer services to the City.

C. Measurement Focus - Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, gasoline taxes, wholesale beer taxes, income taxes, mixed drink taxes, and in-lieu of taxes are susceptible to accrual. Licenses and permits, fines and forfeitures, gross receipts taxes and excise taxes are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the governmental activities column in the government-wide financial statements, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities column of the government-wide presentation.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the enterprise fund's principal ongoing operation. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The agency funds have no measurement focus, but utilize the accrual basis of accounting for reporting their assets and liabilities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Balance Policy

Committed Fund Balances:
The City Council has the authority to commit funds for a specific purpose. Any funds set aside as committed fund balance requires, at a minimum, the passage of a resolution by a simple majority vote. An ordinance may also be used.

Assigned Fund Balance:
The City Council has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as assigned fund balance requires a simple majority vote and must be recorded in the minutes.

Order of Use of Restricted and Unrestricted Funds:
When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

E. Budgetary Data

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

In accordance with OCGA 36-81-3, budgets are legally adopted for the general, special revenue and capital projects funds.

During the last weeks of the year, budget requests are prepared for each department based on the activities of the current year with anticipated changes for the next year including needed capital expenditures. The budget requests are submitted to the Council at a scheduled meeting. The Council formally adopts an annual appropriated budget for the General and special revenue funds. These budgets are adopted on a departmental basis. The City Manager is authorized to transfer budgeted amounts within departments. The Council adopts a flexible budget for the Water and Sewer Funds. The expense estimates of the flexible budget are not appropriations but approved plans.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Therefore, no adjustments are necessary to convert to the actual GAAP data from the budgetary basis. Budgeted amounts reflected in the accompanying budget and actual comparison are as originally adopted or as amended by the Council. Individual amendments are not material in relation to the original appropriations. All annual appropriations, which are not expended, lapse at year-end.

F. Cash and Cash Equivalents

For purposes of reporting cash on the Statement of Net Position, the City considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash consists of cash-on-hand and on deposit with financial institutions. These are classified on the Statement of Cash Flows as "Cash".

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Investments

Investments are reported at fair value, which is based on quoted market price.

The City of Ringgold, Georgia is authorized by Georgia statutes to invest in the following:

1. Deposit accounts with eligible depository institutions.
2. Obligations of the State of Georgia or of other states.
3. Obligations issued by the United States government.
4. Obligations fully insured or guaranteed by the United States government or a United States government agency.
5. Obligations of any corporation of the United States government.
6. Prime bankers' acceptance.
7. The local government investment pool established by Georgia Code Section 36-83-8.
8. Repurchase agreements.
9. Obligations of other political subdivisions of the State of Georgia.

H. Inventories

Supplies and materials are recorded as expenditures/expenses at the time items are purchased and are not inventoried at year-end due to lack of materiality.

I. Interfund Transactions

Interfund Receivables and Payables

Short-term advances between funds are not eliminated but accounted for in the appropriate interfund receivable and payable accounts classified as due to other funds and due from other funds in the fund financial statements, and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions between Funds

Transactions between funds that would be treated as revenues, expenditures, or expenses if they involved organizations external to the governmental unit are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expense in the fund that is reimbursed. All other legally authorized transfers are not eliminated but treated as operating transfers and are included as other financing sources or uses in the governmental funds and reported after non-operating revenues or expenses in the enterprise funds.

J. Compensated Absences

Accruals include both sick and vacation time earned. Employees are allowed to carry over half of any current unused sick leave. Employees of the City under an earlier sick leave plan are allowed to carry banked sick leave up to 240 hours. Employees are allowed to carry over vacation time up to 40 hours at the end of each year provided that they have used at least that much time during the current year. Some employees have vacation leave remaining since their anniversary dates cross the fiscal year-end. Vacation and sick leave for employees of governmental funds is recorded as an expenditure in the period it is used and considered payable from current financial resources. Government-wide proprietary funds accrue vacation benefits in the period they are earned. A liability for these amounts is reported in governmental funds only if they have matured.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., primary roads, secondary roads, drainage), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Years
Land improvements	20
Buildings and improvements	5-40
Vehicles	4-15
Equipment	3-20

Capital assets of the proprietary funds are accounted for in the proprietary fund and are stated at cost or estimated fair value when original cost is not available. Major additions are capitalized while maintenance and repairs, including the cost of minor items of property, are expensed as incurred. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are as follows:

Asset Class	Years
Buildings	5-40
Equipment	5-40
Sewer lines	4-50
Vehicles	3-10
Water lines	5-40

Donated capital assets are valued at their estimated fair value on the date donated. The City's policy is to capitalize the net interest cost incurred during the year resulting from borrowings utilized to finance the construction of assets.

L. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position.

M. Net Position

Net position is the residual of all elements presented in the Statement of Financial Position (i.e., assets + deferred outflows - liabilities - deferred inflows). Net investment in capital assets represent capital assets reduced by accumulated depreciation and by any outstanding debt related to the acquisition, construction or improvement of those assets. Restricted net position represents restricted assets reduced by any related outstanding debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the Entity has no items that qualify for reporting as a deferred outflow of resources.

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item that qualifies for reporting in this category. Accordingly, the item, deferred revenue - property tax, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. Property Taxes

Property taxes levied by the City are assessed by the Assessor of Property in Catoosa County and collected by the City. Property tax revenues are recognized on the modified accrual basis on the governmental fund financial statements.

The property tax calendar applicable to the current fiscal year is as follows:

Lien date	October 20, 2014
Levy date	October 20, 2014
Tax bills mailed	October 20, 2014
Payment due date	October 20, 2014 through February 28, 2015
Delinquency date	March 1, 2015

P. Prepayment of Expenditures

Government fund expenditures for insurance and similar services extending over more than one accounting period are allocated between accounting periods.

Q. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. Events Occurring after Reporting Date

The City has evaluated events and transactions that occurred between December 31, 2014, and March 31, 2015, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

At year-end, the carrying amount of the City's deposits and investments was $8,535,245 The financial institution balance was $8,688,407. Custodial credit risk is the risk that in the event of a bank failure the City's deposits may not be returned to it. The City does not have a policy for custodial risk. As of December 31, 2014, none of the City's bank balance was exposed to custodial credit risk as uninsured and uncollateralized.

The carrying amount of the City's deposits is classified as follows on the Statement of Net Position:

Cash	$ 7,296,045
Investments	1,240,000
Less: Petty cash	(800)
Total	$ 8,535,245

Investments

The City's investments are carried at fair value, and consist of certificates-of-deposit at nationwide banks. The City's investments are classified as follows on the Statement of Net Position:

Investments	$ 1,240,000

NOTE 3 - ACCOUNTS RECEIVABLE - NET

Accounts receivable at December 31, 2014, consist of the following:

	General Fund	Hotel/Motel Tax Fund	Sewer Fund	Water Fund	Total
Franchise taxes	$ 239,307	$ -	$ -	$ -	$ 239,307
Local beer/beverage tax	14,144	-	-	-	14,144
Business license	2,207	-	-	-	2,207
Hotel/motel tax	-	23,236	-	-	23,236
Customer receivables	-	-	102,514	84,277	186,791
Motor vehicle tax	10,473	-	-	-	10,473
Energy excise tax	3,339	-	-	-	3,339
Other	7,272	-	-	-	7,272
Total	$ 276,742	$ 23,236	$102,514	$ 84,277	$ 486,769

NOTE 4 - DUE TO GRANTOR

Due to grantor at December 31, 2014, consist of the following:

Georgia Department of Transportation	$ 123,656

NOTE 5 - PROPERTY TAXES RECEIVABLE - NET

Property taxes receivable as of December 31, 2014, consist of the following:

Year of Levy	
2014	$ 44,584
2013	6,163
2012	643
2011	557
2010	689
	52,636
Less: allowance for uncollectibles	(8,924)
Property taxes receivable - net	$ 43,712

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Due from other governments at December 31, 2014, consists of the following:

	Governmental Activities
Property tax collected by Catoosa County	$ 383,457
Special Purpose Local Option Sales Tax	241,717
Catoosa County - motor vehicle tax collected	750
Local Option Sales Tax receivable	145,569
Intangible taxes	223
TVA in lieu of taxes	2,614
Transfer taxes	50
Totals	$ 774,380

NOTE 7 - INTERNAL BALANCES

The City of Ringgold maintains a combined checking account. Balances due to and from each fund for reimbursement of expenses are classified as internal balances.

	Due from:		
	Capital Projects Fund	Hotel/Motel Tax Fund	Total
General Fund	$ 324,989	$ 23,236	$ 348,225

NOTE 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 524,352	$ 235,563	$ -	$ 759,915
Total capital assets not being depreciated	524,352	235,563	-	759,915
Capital assets being depreciated:				
Land improvements	1,229,686	498,353	-	1,728,039
Building and improvements	3,437,091	15,917	-	3,453,008
Vehicles	1,100,560	18,000	(12,855)	1,105,705
Equipment	733,101	184,284	(36,146)	881,239
Total capital assets being depreciated	6,500,438	716,554	(49,001)	7,167,991
Less accumulated depreciation for:				
Land improvements	224,296	73,943	-	298,239
Buildings and improvements	1,012,657	87,198	-	1,099,855
Vehicles	955,061	57,570	(12,855)	999,776
Equipment	582,875	53,601	(36,146)	600,330
Total accumulated depreciation	2,774,889	272,312	(49,001)	2,998,200
Total capital assets being depreciated - net	3,725,549	444,242	-	4,169,791
Governmental activities capital assets - net	$ 4,249,901	$ 679,805	$ -	$ 4,929,706

Depreciation expense was charged to the functions of the primary government as follows:

General government	$ 114,265
Public safety	31,538
Public welfare and recreation	59,087
Public works	67,422
Total	$ 272,312

(Continued)

NOTE 8 - CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 265,815	$ -	$ -	$ 265,815
Total capital assets not being depreciated	265,815	-	-	265,815
Capital assets being depreciated:				
Buildings	819,938	-	-	819,938
Equipment	1,235,032	-	(12,834)	1,222,198
Sewer lines	22,715,771	232,873	-	22,948,644
Vehicles	284,563	-	-	284,563
Water lines	1,425,737	72,950	-	1,498,687
Total capital assets being depreciated	26,481,041	305,823	(12,834)	26,774,030
Less accumulated depreciation for:				
Buildings	431,574	15,740	-	447,314
Equipment	1,098,758	54,880	(12,834)	1,140,804
Sewer lines	4,336,284	519,408	-	4,855,692
Vehicles	252,304	14,384	-	266,688
Water lines	894,048	53,894	-	947,942
Total accumulated depreciation	7,012,968	658,306	(12,834)	7,658,440
Total capital assets being depreciated - net	19,468,073	(352,483)	-	19,115,590
Business-type activities capital assets - net	$ 19,733,888	$ (352,483)	$ -	$ 19,381,405

NOTE 9 - DEFERRED REVENUE - PROPERTY TAXES

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds as deferred inflows were as follows:

	Unavailable	Total
Property taxes	$ 10,306	$ 10,306

Funds that are earned, but not available, are realized as revenue under GASB No. 33.

NOTE 10 - LONG-TERM DEBT

A. Governmental Debt

Long-term debt, payable by the governmental funds, is summarized as follows:

	Principal Balance
Compensated absences	$ 118,696
Accrued post-employment benefits	1,371,404
Total governmental long-term debt	$1,490,100

A summary of changes in governmental long-term debt for the year ended December 31, 2014, are as follows:

	Balance December 31, 2013	Additions	Retirements	Balance December 31, 2014	Amount Due Within One Year
Compensated absences	$ 112,810	$ 5,886	$ -	$ 118,696	$ -
Accrued post-employment benefits	1,143,739	227,665	-	1,371,404	-
Total	$1,256,549	$ 233,551	$ -	1,490,100	$ -
Less: current portion of governmental long-term debt				-	
Total governmental long-term debt				$1,490,100	

Interest paid during the year ended December 31, 2014, on governmental long-term debt was $0.

Note: A debt service requirements schedule for compensated absences and accrued post-employment benefits is not included. Compensated absences and accrued post-employment benefits are generally liquidated by the General Fund.

NOTE 10 - LONG-TERM DEBT (Continued)

B. Business-Type Debt

Sewer Fund

Long-term debt, payable by the Sewer Fund, which consists of revenue bonds and compensated absences is summarized as follows:

	Principal Balance
Sewer Bond Debt	
Sewer System Revenue Improvement Bonds, Series 2005, 4.15%, due 2031, original balance $9,600,000	$ 7,817,000
Less: current portion of sewer debt	(327,000)
Total sewer debt	7,490,000
Compensated absences	193
Total sewer long-term debt	$ 7,490,193

A summary of changes in sewer long-term debt for the year ended December 31, 2014, are as follows:

	Balance December 31, 2013	Additions	Retirements	Balance December 31, 2014	Amount Due Within One Year
2005 bond	$ 8,134,000	$ -	$ (317,000)	$ 7,817,000	$ 327,000
Compensated absences	706	-	(513)	193	-
Total	$ 8,134,706	$	$ (317,513)	7,817,193	$ 327,000
Less: current portion of sewer long-term debt				(327,000)	
Total sewer long-term debt				$ 7,490,193	

NOTE 10 - LONG-TERM DEBT (Continued)

B. Business-Type Debt (Continued)

Sewer Fund (Continued)
Interest paid during the year ended December 31, 2014, on business-type long-term debt was $332,664.

Sewer Fund debt service requirements to maturity, including interest of $3,143,973, are as follows:

Bonds

Year ended December 31	Principal	Interest	Total Requirements
2015	$ 327,000	$ 322,704	$ 649,704
2016	341,000	308,884	649,884
2017	355,000	294,515	649,515
2018	370,000	279,565	649,565
2019	385,000	263,992	648,992
2020-2024	2,186,000	1,061,995	3,247,995
2025-2029	2,687,000	560,830	3,247,830
2030-2031	1,166,000	51,488	1,217,488
Total bonds	$ 7,817,000	$ 3,143,973	$ 10,960,973

Note: The above debt service requirements schedules do not include compensated absences.

Water Fund
Long-term debt, payable by the Water Fund, which consists of customer deposits and compensated absences, is summarized as follows:

Customer deposits	$ 62,025
Compensated absences	29,742
Total Water Fund long-term debt	$ 91,767

A summary of changes in Water Fund long-term debt for the year ended December 31, 2014, are as follows:

	Balance December 31, 2013	Additions	Retirements	Balance December 31, 2014	Amount Due Within One Year
Customer deposits	$ 59,371	$ 2,654	$ -	$ 62,025	$ -
Compensated absences	26,237	3,505	-	29,742	-
Total	$ 85,608	$ 6,159	$ -	91,767	$ -
Less: current portion of Water Fund long-term debt				-	
Total Water Fund long-term debt				$ 91,767	

NOTE 11 - NET POSITION / FUND BALANCE RESTRICTIONS

The City can restrict net position and fund balances to be maintained for specific purposes. The nature and purpose of these are explained as follows:

Haunted Depot Fund restricts $13,720 for future depot expenditures.

Downtown Development Authority Fund restricts $8,766 for the improvement of the City's downtown area.

Confiscated Assets Fund restricts $4,431 for future confiscated asset expenditures.

Ringgold Depot Fund restricts $76,365 for the Ringgold Depot facility.

Visitor Center Fund restricts $73,812 to promote tourism in the Ringgold area.

Technology Fees Fund restricts $3,885 for future police expenditures.

The City also has $47,873 of nonspendable fund balance related to prepaid expenses.

NOTE 12 - TRANSFERS

Interfund transfers as of December 31, 2014, consist of the following:

	Transfers to						
	General Fund	Downtown Development Authority Fund	Ringgold Depot Fund	Visitor Center Fund	Sewer Fund	Water Fund	Total
Transfer from:							
Capital Projects Fund	$ -	$ -	$ -	$ -	$ 232,872	$ 72,951	$ 305,823
Hotel/Motel Fund	129,625	-	43,208	86,417	-	-	259,250
Haunted Depot Fund	-	13,845	-	-	-	-	13,845
Total	$129,625	$ 13,845	$43,208	$86,417	$ 232,872	$ 72,951	$ 578,918

Transfers from the Haunted Depot Fund were transferred to supplement operations.

Capital Projects Fund transfers were Special Local Options Sales Tax (SPLOST) funds that flowed through the Capital Projects Fund to the Sewer Fund and Water Fund for designated projects.

Funds were transferred out of the Hotel/Motel Fund into the General, Ringgold Depot and Visitor Center funds to close the Hotel/Motel Fund.

NOTE 13 - HOTEL/MOTEL LODGING TAX

The City of Ringgold levies a 6% lodging tax as authorized in Official Code of Georgia Annotated (OCGA) 48-13-50(a)(3.2). All expenditures were for the promotion of tourism. A summary of the transactions for the year ended December 31, 2014, is as follows:

Fund Balance - January 1, 2014	$ -
Lodging tax services	259,250
Amount available for disbursements	259,250
Disbursements:	
Transfer to General Fund	129,625
Transfer to the Ringgold Depot Fund	43,208
Transfer to Visitor Center Fund	86,417
Total disbursed	259,250
Balance - held in reserve for future hotel/motel tax projects	$ -

NOTE 14 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position:

The governmental fund balance includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that, "long-term liabilities, including compensated absences are not due and payable in the current period and, therefore, are not reported in the funds". The details of this $(118,696) difference are as follows:

Compensated absences	$ (118,696)
Net adjustment	$ (118,696)

Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities:

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance, includes a reconciliation between net changes in fund balances for total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of that reconciliation explains that, "Governmental funds report capital outlay as expenditures, however, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense". The details of this $679,805 difference are as follows:

Depreciation expense	$ (272,312)
Capital outlay	952,117
Net adjustment	$ 679,805

NOTE 15 - COMPLIANCE WITH FINANCE RELATED LEGAL AND CONTRACTUAL PROVISIONS

The City has no material violations of finance related legal and contractual provisions.

NOTE 16 - INSURANCE

The City of Ringgold is exposed to various risks of losses. These risks include loss related to torts; theft, of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City is a member of Key Risk. The liability to the employees of the City is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

The City is responsible for paying the prescribed premiums and cooperating with attorneys.

The City carries insurance for all other risks of loss (except employees health insurance), including general liability and property and casualty insurance through the St. Paul's Travelers Company. Employee's health insurance is provided by Blue Cross-Blue Shield through the Georgia Municipal Association. There have been no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded coverage in any of the past three years.

NOTE 17 - PENSION PLAN

The City of Ringgold provides pension benefits for all its full-time employees through a defined contribution pension plan the City of Ringgold Pension Plan administered by Chandler & Assoc., P.C. The plan was authorized by Council action in 1976 and amended in 1995. All fulltime employees who have attained age 18 and have completed one year of service are eligible. Vesting is 100% full and immediate, and retirement age is 65 or the fifth anniversary of participation, whichever is later.

The City contributes 10% of total compensation for each employee. Employees are required to contribute 2% and are allowed to make an additional contribution of up to 10% of total compensation. Contribution requirements were established under, and can only be amended by, the City Council.

All assets of the plan are held in individual income endowments, life contracts, individual annuities or other investments. There are no outstanding loans to any participant, fiduciary, or party of interest.

The City's total payroll for the year was $1,640,347. The amount of covered payroll was $1,273,800. Total contributions required was $152,856, which was 12% of covered payroll. The City's contribution required and actual was $127,380, which was 10% of covered payroll. The mandatory employee contributions required and actual was $25,476 which was 2% of covered payroll. Employee voluntary contributions totaled $41,219, making a total employee contribution of $66,695, which is 5% of covered payroll. The total City and employee contribution actually made was $194,075, which was 15% of covered payroll. There were no current year changes in plan provisions.

NOTE 18 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The City of Ringgold, Georgia administers a single-employer defined benefit healthcare plan. The plan provides lifetime healthcare insurance to the retired employee and family coverage after the age of 55 plus 25 years of service. The plan does not issue a publicly available financial report.

Funding Policy

The City has not funded the healthcare plan and pays the benefits monthly on a "pay as you go" policy. Contribution requirements were established under, and can only be amended by, the City Council.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer* (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan:

Annual required contribution	$ 170,308
Interest on net OPEB obligation	9,367
Adjustment to annual required contribution	47,990
Annual OPEB cost (expense)	227,665
Contributions made	-
Increase in net OPEB obligation	227,665
Net OPEB obligation - beginning of year	1,143,739
Net OPEB obligation - end of year	$ 1,371,404

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12-31-14	$ 227,665	0%	$ 1,371,404
12-31-13	$ 243,066	0%	$ 1,143,739
12-31-12	$ 241,500	0%	$ 900,673
12-31-11	$ 222,715	0%	$ 659,173
12-31-10	$ 232,367	0%	$ 436,458

NOTE 18 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funded Status and Funding Progress
As of June 30, 2014, the actuarial accrued liability for benefits was $1,371,404, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $2,359,342 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 100 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions
Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 67, or at the first subsequent year in which the member would qualify for benefits.

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics. The United States Life Tables for Males and for Females were used.

Turnover - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on a rate of 5.5 percent.

Health Insurance Premiums - 2014 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Inflation Rate - The expected long-term inflation assumption of 5.5 percent was used.

Payroll Growth Rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

NOTE 18 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 5.5 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, was thirty years.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress
For the Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06-30-14	$0	$2,359,342	$ 2,359,342	0.00%	$2,359,342	100.00%
06-30-13	$0	$1,920,208	$ 1,920,208	0.00%	$1,920,208	100.00%
06-30-12	$0	$1,810,678	$ 1,810,678	0.00%	$1,810,678	100.00%
06-30-11	$0	$1,528,892	$ 1,528,892	0.00%	$1,528,747	100.00%
06-30-10	$0	$1,376,265	$ 1,376,265	0.00%	$1,435,195	95.89%

NOTE 19 - LITIGATION AND CLAIMS

The City is currently the defendant in certain legal actions, which are being vigorously defended. It is the opinion of management and legal counsel that these suits will not have a material effect on the financial position of the City.

NOTE 20 - CONTINGENT LIABILITIES

As of December 31, 2014, the City does not have any material contingent liabilities.

NOTE 21 - JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the Northwest Georgia area, is a member of the Northwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2014, the City paid $3,668 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Northwest Georgia Regional Commission
P.O. Box 1798
Rome, Georgia 30161

NOTE 22 - AGENCY FUNDS

The City reports on two agency funds: Baxter Addition Fund and Municipal Court Fund. The City acts as fiscal agent under contract with the board of the Baxter Addition to Anderson Cemetery Care Fund. The Municipal Court Fund is used to handle the percentages of fines that are remitted to state agencies and the county. The City's portion of the fines is transferred back to the General Fund revenue each month.

NOTE 23 - RELATED PARTY TRANSACTION

The Mayor and Council members of the City are only billed the minimum water rates each month.

OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Hotel/Motel Tax Fund:

This fund is used to account for the receipt of Hotel/Motel Tax and used to promote tourism in the Ringgold area.

Haunted Depot Fund:

This fund is used to account for the receipt and use of funds for the Haunted Depot.

Downtown Development Authority Fund:

This fund is used to account for the receipt and use of funds for the Downtown Development Authority.

Confiscated Assets Fund:

This fund is used to account for the receipt and use of confiscated assets.

Ringgold Depot Fund:

This fund is used to account for the receipt and use of funds of the Ringgold Depot facility.

Visitor Center Fund:

This fund is used to account for the receipt and use of funds for the Ringgold Convention and Visitors Bureau to promote the development of tourism and the convention industry in Ringgold.

Capital Projects Grant Fund:

This fund is used to account for the receipt and use of grant funds for capital projects.

Technology Fee Fund:

This fund is used to account for the receipt and use of technology fees used for police expenditures.

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Balance Sheet
December 31, 2014

	Hotel/Motel Tax Fund	Haunted Depot Fund	Downtown Develpoment Authority Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Total Non-major Governmental Funds
ASSETS									
Cash	$ -	$ 13,720	$ 9,754	$ 4,431	$ 87,060	$ 75,453	$ 139,432	$ 4,085	$ 333,935
Accounts receivable - net	23,236	-	-	-	-	-	-	-	23,236
TOTAL ASSETS	$ 23,236	$ 13,720	$ 9,754	$ 4,431	$ 87,060	$ 75,453	$ 139,432	$ 4,085	$ 357,171
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	$ -	$ -	$ 238	$ -	$ 3,295	$ 1,371	$ 375	$ 200	$ 5,479
Accrued liabilities	-	-	750	-	7,400	270	-	-	8,420
Due to other funds	23,236	-	-	-	-	-	-	-	23,236
Due to grantor	-	-	-	-	-	-	123,656	-	123,656
Unearned revenue	-	-	-	-	-	-	15,401	-	15,401
Total liabilities	23,236	-	988	-	10,695	1,641	139,432	200	176,192
Fund Balances									
Restricted	-	13,720	8,766	4,431	76,365	73,812	-	3,885	180,979
TOTAL LIABILITIES AND FUND BALANCES	$ 23,236	$ 13,720	$ 9,754	$ 4,431	$ 87,060	$ 75,453	$ 139,432	$ 4,085	$ 357,171

CITY OF RINGGOLD, GEORGIA
Non-major Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended December 31, 2014

	Hotel/Motel Tax Fund	Haunted Depot Fund	Downtown Development Authority Fund	Confiscated Assets Fund	Ringgold Depot Fund	Visitor Center Fund	Capital Projects Grant Fund	Technology Fee Fund	Total Non-major Governmental Funds
REVENUES									
Taxes	$ 259,250	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 259,250
Intergovernmental	-	-	-	-	-	-	30,208	-	30,208
Other revenue	-	28,689	18,188	-	32,229	-	90,092	12,500	181,698
TOTAL REVENUES	259,250	28,689	18,188	-	32,229	-	120,300	12,500	471,156
EXPENDITURES									
Current expenditures									
Public safety	-	-	-	2,259	-	-	-	12,264	14,523
Public welfare and recreation	-	9,809	298,965	-	80,325	178,513	120,300	-	687,912
Total current expenditures	-	9,809	298,965	2,259	80,325	178,513	120,300	12,264	702,435
TOTAL EXPENDITURES	-	9,809	298,965	2,259	80,325	178,513	120,300	12,264	702,435
Excess (deficiency) of revenue over (under) expenditures	259,250	18,880	(280,777)	(2,259)	(48,096)	(178,513)	-	236	(231,279)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	13,845	-	43,208	86,417	-	-	143,470
Transfers out	(259,250)	(13,845)	-	-	-	-	-	-	(273,095)
Total other financing sources (uses)	(259,250)	(13,845)	13,845	-	43,208	86,417	-	-	(129,625)
Net changes in fund balances	-	5,035	(266,932)	(2,259)	(4,888)	(92,096)	-	236	(360,904)
Fund balances - beginning	-	8,685	275,698	6,690	81,253	165,908	-	3,649	541,883
Fund balances - end	$ -	$ 13,720	$ 8,766	$ 4,431	$ 76,365	$ 73,812	$ -	$ 3,885	$ 180,979

CITY OF RINGGOLD, GEORGIA
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes				
Hotel/motel tax	$ 264,000	$ 259,000	$ 259,250	$ 250
TOTAL REVENUES	264,000	259,000	259,250	250
Excess (deficiency) of revenue over (under) expenditures	264,000	259,000	259,250	250
OTHER FINANCING SOURCES (USES)				
Transfers out	(264,000)	(259,000)	(259,250)	(250)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

CITY OF RINGGOLD, GEORGIA
Haunted Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Other revenue				
Haunted Depot	$ 20,000	$ 24,000	$ 28,689	$ 4,689
TOTAL REVENUES	20,000	24,000	28,689	4,689
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Professional services	-	350	350	-
Supplies and materials	10,000	9,650	9,459	191
Total public welfare and recreation	10,000	10,000	9,809	191
TOTAL EXPENDITURES	10,000	10,000	9,809	191
Excess (deficiency) of revenue over (under) expenditures	10,000	14,000	18,880	4,880
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(14,000)	(13,845)	155
Net changes in fund balances	-	-	5,035	5,035
Fund balances - beginning	8,685	8,685	8,685	-
Fund balances - end	$ 8,685	$ 8,685	$ 13,720	$ 5,035

CITY OF RINGGOLD, GEORGIA
Downtown Development Authority Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Other revenue				
Lease revenue	$ 9,000	$ 9,000	$ 9,000	$ -
Miscellaneous	1,000	1,200	1,177	(23)
Program fees	-	3,000	1,797	(1,203)
Tickets	-	6,800	6,214	(586)
Total other revenue	10,000	20,000	18,188	(1,812)
TOTAL REVENUES	10,000	20,000	18,188	(1,812)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	16,000	15,330	15,326	4
Payroll taxes	1,300	1,175	1,167	8
Education and travel	2,500	920	919	1
Grant expenses	8,000	1,750	1,750	-
Insurance	2,500	4,670	4,668	2
Professional services	500	10,355	10,351	4
Property rental	-	600	600	-
Retirement	1,200	1,150	1,145	5
Ringgold playhouse	-	5,270	5,268	2
Site purchases	-	253,200	253,191	9
Supplies and materials	2,000	4,580	4,580	-
Total public welfare and recreation	34,000	299,000	298,965	35
TOTAL EXPENDITURES	34,000	299,000	298,965	35
Excess (deficiency) of revenue over (under) expenditures	(24,000)	(279,000)	(280,777)	(1,777)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	14,000	13,845	(155)
Net changes in fund balances	(14,000)	(265,000)	(266,932)	(1,932)
Fund balances - beginning	275,698	275,698	275,698	-
Fund balances - end	$ 261,698	$ 10,698	$ 8,766	$ (1,932)

CITY OF RINGGOLD, GEORGIA
Confiscated Assets Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Fines and forfeitures				
Cash confiscation	$ 7,000	$ 3,000	$ -	$ (3,000)
TOTAL REVENUES	7,000	3,000	-	(3,000)
EXPENDITURES				
Current expenditures				
Public safety				
Supplies and materials	7,000	3,000	2,259	741
TOTAL EXPENDITURES	7,000	3,000	2,259	741
Excess (deficiency) of revenue over (under) expenditures	-	-	(2,259)	(2,259)
Fund balances - beginning	6,690	6,690	6,690	-
Fund balances - end	$ 6,690	$ 6,690	$ 4,431	$ (2,259)

CITY OF RINGGOLD, GEORGIA
Ringgold Depot Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Other revenue				
Rental	$ 28,000	$ 38,000	$ 32,229	$ (5,771)
TOTAL REVENUES	28,000	38,000	32,229	(5,771)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	11,000	9,500	9,478	22
Payroll taxes	1,500	800	725	75
Insurance	1,500	1,100	1,006	94
Postage	-	100	21	79
Professional services	-	500	440	60
Repairs and maintenance	35,000	2,700	2,680	20
Supplies and materials	5,000	44,700	44,477	223
Telephone	-	700	676	24
Utilities	18,000	20,900	20,822	78
Total public welfare and recreation	72,000	81,000	80,325	675
TOTAL EXPENDITURES	72,000	81,000	80,325	675
Excess (deficiency) of revenue over (under) expenditures	(44,000)	(43,000)	(48,096)	(5,096)
OTHER FINANCING SOURCES (USES)				
Transfers in	44,000	43,000	43,208	208
Net changes in fund balances	-	-	(4,888)	(4,888)
Fund balances - beginning	81,253	81,253	81,253	-
Fund balances - end	$ 81,253	$ 81,253	$ 76,365	$ (4,888)

CITY OF RINGGOLD, GEORGIA
Visitor Center Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Salaries	$ 16,000	$ 15,330	$ 15,326	$ 4
Payroll taxes	1,300	1,180	1,167	13
Dues and subscriptions	-	200	175	25
Events	59,000	48,000	47,098	902
Insurance	3,500	5,240	5,235	5
Postage	1,000	20	17	3
Retirement	1,200	1,150	1,146	4
Supplies and materials	4,000	105,900	105,374	526
Telephone	2,000	2,980	2,975	5
Total public welfare and recreation	88,000	180,000	178,513	1,487
TOTAL EXPENDITURES	88,000	180,000	178,513	1,487
Excess (deficiency) of revenue over (under) expenditures	(88,000)	(180,000)	(178,513)	1,487
OTHER FINANCING SOURCES (USES)				
Transfers in	88,000	86,400	86,417	17
Net changes in fund balances	-	(93,600)	(92,096)	1,504
Fund balances - beginning	165,908	165,908	165,908	-
Fund balances - end	$ 165,908	$ 72,308	$ 73,812	$ 1,504

CITY OF RINGGOLD, GEORGIA
Capital Projects Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Intergovernmental				
Grant revenue	$ 30,300	$ 30,300	$ 30,208	$ (92)
Other revenue				
Donations	90,700	90,700	90,092	(608)
TOTAL REVENUES	121,000	121,000	120,300	(700)
EXPENDITURES				
Current expenditures				
Public welfare and recreation				
Contract labor	66,100	66,100	65,762	338
Professional services	48,000	48,000	47,824	176
Supplies and materials	6,900	6,900	6,714	186
Total public welfare and recreation	121,000	121,000	120,300	700
TOTAL EXPENDITURES	121,000	121,000	120,300	700
Excess (deficiency) of revenue over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - end	$ -	$ -	$ -	$ -

CITY OF RINGGOLD, GEORGIA
Technology Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Other revenue				
Technology fees	$ 12,000	$ 13,000	$ 12,500	$ (500)
TOTAL REVENUES	12,000	13,000	12,500	(500)
EXPENDITURES				
Current expenditures				
Public safety				
Professional services	-	1,800	1,750	50
Supplies and materials	9,000	8,500	7,912	588
Telephone	3,000	2,700	2,602	98
Total public safety	12,000	13,000	12,264	736
TOTAL EXPENDITURES	12,000	13,000	12,264	736
Excess (deficiency) of revenue over (under) expenditures	-	-	236	236
Fund balances - beginning	3,649	3,649	3,649	-
Fund balances - end	$ 3,649	$ 3,649	$ 3,885	$ 236

CITY OF RINGGOLD, GEORGIA
Schedule of Expenditures of Federal and State Awards
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	State Grant/Program Number	Accrued (Receivable) 01/01/14		Grant Receipts	Grant Expenditures	Accrued (Receivable) 12/31/14
Federal							
Appalachian Regional Commission	23.001	GA-16922	$ (15,000)		$ 15,000	$ -	$ -
Total federal awards			(15,000)		15,000	-	-
State							
Georgia Department of Transportation							
Pedestrian Safety Enhancements	-	0008993	(96,136)	(1)	250,000	30,208	123,656
LMIG Street Resurfacing	2013	-	-		65,342	65,342	-
Georgia Highway Safety	-	2014-GA-0026-00	(6,740)		9,808	3,068	-
Total state awards			(102,876)		325,150	98,618	123,656
TOTAL FEDERAL AND STATE AWARDS			$ (117,876)		$ 340,150	$ 98,618	$ 123,656

(1) Georgia Department of Transportation grant expenditures of $30,569, $32,481, $6,950 and $26,136 from 2009, 2010, 2011 and 2013, respectively.

CITY OF RINGGOLD, GEORGIA
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended December 31, 2014

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards includes the federal and state grant activity of the City of Ringgold, Georgia and is presented on the modified accrual basis of accounting.

CITY OF RINGGOLD, GEORGIA
Sewer Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
OPERATING REVENUES				
Sewer charges	$ 1,551,000	$ 1,576,400	$ 1,612,822	$ 36,422
Installation charges	59,000	50,600	51,637	1,037
Total operating revenues	1,610,000	1,627,000	1,664,459	37,459
OPERATING EXPENSE				
Operating and maintenance	708,000	843,000	621,767	221,233
Administration and general	12,000	121,000	10,023	110,977
Depreciation	560,000	564,000	563,165	835
Total operating expenses	1,280,000	1,528,000	1,194,955	333,045
Operating income (loss)	330,000	99,000	469,504	370,504
NON-OPERATING REVENUES (EXPENSES)				
Interest revenue	3,000	1,000	1,500	500
Interest expense	(333,000)	(333,000)	(332,664)	336
Total non-operating revenues (expenses)	(330,000)	(332,000)	(331,164)	836
Income (loss) before transfers	-	(233,000)	138,340	371,340
Transfers in	-	233,000	232,872	(128)
Changes in net position	-	-	371,212	371,212
Total net position - beginning	14,502,736	14,502,736	14,502,736	-
Total net position - end	$ 14,502,736	$ 14,502,736	$ 14,873,948	$ 371,212

CITY OF RINGGOLD, GEORGIA
Water Fund
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
Year Ended December 31, 2014

	Budgeted Amounts			Variance Favorable
	Original	Final	Actual	(Unfavorable)
OPERATING INCOME				
Water sales	$ 484,000	$ 499,000	$ 504,020	$ 5,020
Installation charges	2,000	5,000	4,910	(90)
Penalties	19,000	24,000	25,314	1,314
Total operating revenues	505,000	528,000	534,244	6,244
OPERATING EXPENSES				
Operating and maintenance	435,000	485,000	467,981	17,019
Administration and general	20,000	20,000	17,352	2,648
Depreciation	93,000	96,000	95,141	859
Total operating expenses	548,000	601,000	580,474	20,526
Operating income (loss)	(43,000)	(73,000)	(46,230)	26,770
Transfers in	43,000	73,000	72,951	(49)
Changes in net position	-	-	26,721	26,721
Total net position - beginning	1,303,949	1,303,949	1,303,949	-
Total net position - end	$ 1,303,949	$ 1,303,949	$ 1,330,670	$ 26,721

CITY OF RINGGOLD, GEORGIA
Proprietary Funds
Schedule of Operating Expenses
Year Ended December 31, 2014

	Enterprise		
Operating Expenses	**Sewer Fund**	**Water Fund**	**Totals**
Operating and maintenance			
Salaries	$ 22,304	$ 198,756	$ 221,060
Payroll taxes	1,699	14,175	15,874
Catoosa utility charges	-	16,633	16,633
Chemicals	-	44,332	44,332
Drinking water program	-	5,168	5,168
Equipment	623	2,890	3,513
Fuel	2,188	10,822	13,010
Insurance	8,497	55,140	63,637
Plant supplies	18,330	27,276	45,606
Repairs and maintenance	9,622	12,161	21,783
Retirement	1,250	16,236	17,486
Sewer treatment charges	531,419	-	531,419
Professional services	768	5,861	6,629
Telephone	2,580	2,337	4,917
Uniforms	1,042	2,598	3,640
Utilities	21,445	50,870	72,315
Water line repairs	-	2,726	2,726
Total operating and maintenance	621,767	467,981	1,089,748
Administration and general			
Education and travel	2,353	5,758	8,111
Insurance	4,830	5,152	9,982
Licenses and dues	2,840	395	3,235
Printing and postage	-	5,797	5,797
Professional services	-	250	250
Total administration and general	10,023	17,352	27,375
Depreciation	563,165	95,141	658,306
Total operating expenses	$ 1,194,955	$ 580,474	$ 1,775,429

CITY OF RINGGOLD, GEORGIA
Schedule of Property Taxes Receivable
General Fund
December 31, 2014

Year of Levy	
2014	$ 44,584
2013	6,163
2012	643
2011	557
2010	689
Total property taxes receivable	52,636
Less: allowance for uncollectibles	(8,924)
Net property taxes receivable	$ 43,712

CITY OF RINGGOLD, GEORGIA
Schedule of Changes in Property Taxes Receivable
General Fund
Year Ended December 31, 2014

	Taxes Receivable December 31, 2013	Taxes Levied	Pickups and (Releases)	Collections	Taxes Receivable December 31, 2014
2014	$ -	$ 496,125	$ (105)	$ (451,436)	$ 44,584
2013	48,034	-	8,787	(50,658)	6,163
2012	9,595	-	(789)	(8,163)	643
2011	1,869	-	(170)	(1,142)	557
2010	689	-	-	-	689
Total	$ 60,187	$ 496,125	$ 7,723	$ (511,399)	$ 52,636

CITY OF RINGGOLD, GEORGIA
Schedule of Debt Service Requirements
Sewer Fund
Year Ended December 31, 2014

Sewer System Revenue Improvement Bonds
Series 2005, 4.15%
Due 2031

Year Ended December 31	Principal	Interest	Total Requirements
2015	$ 327,000	$ 322,704	$ 649,704
2016	341,000	308,884	649,884
2017	355,000	294,515	649,515
2018	370,000	279,565	649,565
2019	385,000	263,992	648,992
2020	402,000	247,734	649,734
2021	419,000	230,802	649,802
2022	436,000	213,134	649,134
2023	455,000	194,759	649,759
2024	474,000	175,566	649,566
2025	494,000	155,583	649,583
2026	515,000	134,771	649,771
2027	536,000	113,077	649,077
2028	559,000	90,470	649,470
2029	583,000	66,929	649,929
2030	607,000	42,352	649,352
2031	559,000	9,136	568,136
	$ 7,817,000	$ 3,143,973	$ 10,960,973

CITY OF RINGGOLD, GEORGIA
SCHEDULES OF STATISTICAL INFORMATION
December 31, 2014

I. SCHEDULE OF TAX RATES AND ASSESSMENTS

Tax Year	City Tax Rate	Assessment	Levy
2014	.2763	$ 179,560,261	$ 496,125
2013	.2683	$ 170,606,411	$ 457,737
2012	.268	$ 169,020,896	$ 452,976
2011	.2707	$ 165,931,289	$ 449,176
2010	.2707	$ 174,772,811	$ 473,110
2009	.2707	$ 186,103,436	$ 503,782
2008	.2707	$ 199,217,584	$ 539,282
2007	.2751	$ 192,006,906	$ 528,211
2006	.2762	$ 177,475,018	$ 490,186
2005	.280	$ 165,191,784	$ 462,537

II. SCHEDULE OF BILLING RATES

The water and sewer rates for the City of Ringgold for the year ended December 31, 2014, were:

Water Rates

Meter Size	Minimum Usage (Gallons)	Minimum Monthly Bill
3/4" meter	0-2,000	$ 14.03 plus $3.81/1,000 gal.
1" meter	0-8,000	$ 36.82 plus $3.81/1,000 gal.
1-1/2" meter	0-17,000	$ 70.98 plus $3.81/1,000 gal.
2" meter	0-25,000	$ 101.35 plus $3.81/1,000 gal.
3" meter	0-45,000	$ 315.13 plus $3.81/1,000 gal.
4" meter	0-60,000	$ 420.17 plus $3.81/1,000 gal.
6" meter	0-90,000	$ 630.22 plus $3.81/1,000 gal.
8" meter	0-120,000	$ 840.32 plus $3.81/1,000 gal.
10" meter	0-150,000	$1,050.40 plus $3.81/1,000 gal.

Sewer Rates

Meter Size	Minimum Usage (Gallons)	Minimum Monthly Bill
3/4" meter	0-2,000	$ 15.29 plus $3.81/1,000 gal.
1" meter	0-8,000	$ 38.12 plus $3.81/1,000 gal.
1-1/2" meter	0-17,000	$ 69.48 plus $3.81/1,000 gal.
2" meter	0-25,000	$ 102.88 plus $3.81/1,000 gal.
3" meter	0-45,000	$ 344.08 plus $3.81/1,000 gal.
4" meter	0-60,000	$ 458.61 plus $3.81/1,000 gal.
6" meter	0-90,000	$ 687.92 plus $3.81/1,000 gal.
8" meter	0-120,000	$ 917.22 plus $3.81/1,000 gal.
10" meter	0-150,000	$1,147.65 plus $3.81/1,000 gal.

As of December 31, 2014 the City had 1,119 water customers and 983 sewer customers.

III. INTERNAL CONTROL AND COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Mayor and Council Members
City of Ringgold, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ringgold, Georgia as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of Ringgold, Georgia's basic financial statements, and have issued our report thereon dated March 31, 2015.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City of Ringgold, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Ringgold, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Ringgold, Georgia's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the City of Ringgold, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings
The City of Ringgold, Georgia's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The City of Ringgold, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chattanooga, Tennessee
March 31, 2015

Johnson, Murphey & Wright, P.C.

CITY OF RINGGOLD, GEORGIA
Schedule of Findings and Responses
December 31, 2014

SUMMARY OF AUDITOR'S RESULTS

Opinion on Financial Statements

Unmodified opinion issued on the financial statements in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States of America.

Internal Control Reportable Conditions:

During the audit of the financial statements, one deficiency in internal controls was disclosed.

Material Noncompliance:

No instances of noncompliance or other matters was disclosed.

FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED *GOVERNMENT AUDITING STANDARDS*

INTERNAL CONTROL:

Finding 2014-001 - Approvals and documentation (Repeat 2013-001)

Criteria:

Government Auditing Standards Chapter A.06(h) states that, "inadequate controls for the safeguarding of assets" is a control deficiency.

Condition:

1) Not all invoices were initialed as approved before being paid.
2) Not all invoices were stamped as paid, noting the check number and date.
3) Not all invoices had purchase orders or check requests attached.
4) Not all time cards were initialed as approved by the department head.

Cause:

Approval processes were not followed so that invoices were initialed before being paid, invoices were cancelled after being paid, purchase orders or check requests were attached, and time cards were initialed as approved.

Effect:

Without following the proper procedures, improper payments could be expensed to the City.

Management's Response:

We concur. We are making every effort to correct the areas as noted.

CITY OF RINGGOLD, GEORGIA
Schedule of Prior Audit Findings
December 31, 2014

Finding 2013-001 - Approvals and documentation

Still in effect.

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Independent Auditor's Report

Honorable Mayor and Council Members
City of Ringgold, Georgia
Ringgold, Georgia

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Ringgold, Georgia for the year ended December 31, 2014. This schedule is the responsibility of the City of Ringgold, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note A and is not intended to be a complete presentation of the City of Ringgold, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in the City of Ringgold, Georgia's resolution or ordinance calling for the tax for the year ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America.

Johnson, Murphey & Wright, P.C.

Chattanooga, Tennessee
March 31, 2015

CITY OF RINGGOLD, GEORGIA
Schedule of Special Purpose Local Option Sales Tax
Year Ended December 31, 2014

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
2004 SPLOST -					
Ringgold water and sewer projects	$ 1,935,000	$ 1,955,551	$ -	$ 1,955,551	100%
Ringgold Sewer Basin	$ 3,000,000	$ 2,317,619	$ -	$ 2,317,619	77 %
Peavine Basin	$ 8,000,000	$ 206,225	$ 64,980	$ 271,205	4 %
2009 SPLOST -					
Ringgold water and sewer projects	$ 13,270,000	$ 6,043,883	$ 240,843	$ 6,284,726	47 %
Ringgold projects -					
Vehicles and equipment	$ 520,000	$ 98,643	$ -	$ 98,643	19 %
Government buildings	$ 1,500,000	$ 435,790	$ -	$ 435,790	29 %
Streets, sidewalks & parks	$ 500,000	$ 359,923	$ 339,300	$ 699,223	100 %

City of Ringgold

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March 31, 2015

Edward Blaha, Director
Department of Audits and Accounts
254 Washington Street, SW
Atlanta, GA 30534-8400

Dear Mr. Blaha:

The corrective action plan for our December 31, 2014 audit is as follows:

2014-001 - Approvals and Documentation

We concur with the finding. The City Manager will make every effort to see that all invoices are initialed, stamped paid, and have purchase orders or have check requests and that all time cards are initialed.

Thank you for your attention to this matter.

Respectively submitted,

CITY OF RINGGOLD, GEORGIA

Dan Wright
City Manager